**C1. CHAPTER 1**

**INTRODUCTION**

C1.1. GENERAL

 C1.1.1. Purpose. This volume provides Defense Logistics Management System (DLMS) standard procedures for billing and related adjustments for sales of materiel and related services, collectively referred to as the Military Standard Billing System (MILSBILLS). This includes the related standard transactions for exchanging data in compliance with the procedures using either the DLMS Supplements (DS) variable length format or the legacy Defense Logistics Standards Systems (DLSS) fixed length 80 record position format.

 C1.1.1.1. New and migrating systems implementations of the DLMS are to comply with the DLMS Supplements to Federal Implementation Conventions (ICs) for American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 in accordance with [DoD Directive 8190.1](http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/directives.asp%22%20%5Ct%20%22_blank), “DoD Logistics Use of Electronic Data Interchange (EDI) Standards,”.May 5, 2000. The relevant DLMS Supplements are the DLMS 810L (Logistics Bill), DLMS 812R (Logistics Bill Adjustment Request), and DLMS 812L (Logistics Bill Adjustment Request Response). All DLMS Supplements to Federal ICs may be accessed at [www.dla.mil/j-6/dlmso/eLibrary/TransFormats/140\_997.asp](http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/140_997.asp).

 C1.1.1.2. DLSS is the legacy implementation for billing, previously published as part of MILSBILLS. See Appendix 3 for the list of billing related document identifier code (DIC) formats.

 C1.2.1. Use of This Volume. Use of this volume requires simultaneous access to DLMS Manual Volume 1 administrative items such as lists of acronyms and abbreviations, terms and definitions, and references; instructions for acquiring access to the DLMS standards data base; DLMS-to-Defense Logistics Standard System (DLSS) cross-references and conversion guides; specific guidance that applies to all implementation conventions; and functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. POLICY

 C1.2.1. [DoD 7000.14-R](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp), “Department of Defense Financial Management Regulations,” provides the DoD policies governing procedures in this volume.

 C1.2.2. [DoD 4140.01-R](http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/regulations.asp), “DoD Supply Chain Materiel Management Regulation,” May 23, 2003 provides the DoD policies and governing procedures in this volume.

C1.3. APPLICABILITY. This volume applies to the Office of the Secretary of Defense, Military Departments, Joint Staff, Unified and Specified Commands, Defense Agencies, and Defense Organizations (hereafter referred to collectively as "DoD Components") and, by agreement, to other organizations participating in the DLMS.

C1.4. FINANCE PROCESS REVIEW COMMITTEE. The Finance Process Review Committee (PRC) is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of the Interfund Billing System and other financial requirements for the DLMS. The Chairman, Finance PRC, in coordination with other Finance PRC members, is responsible for the contents of this volume of the DLMS. The identification of Finance PRC representatives, and other PRC related information, appears on the Finance PRC Webpage at
[www.dla.mil/j-6/dlmso/Programs/Committees/Finance/financeprc.asp](http://www.dla.mil/j-6/dlmso/Programs/Committees/Finance/financeprc.asp). Refer to Volume 1, Chapter 1 for a discussion of general DLMS PRC functions and responsibilities.

C1.5. SUPPLEMENTAL PROCEDURES. Supplemental procedures issued by the DoD Components and participating Agencies are authorized when additional detailed instructions are required. The publications listed in Table C1.T.1 supplement the provisions of this volume within the DoD Components and participating Agencies:

Table C1.T1. Supplemental Billing Procedures

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| SERVICE or AGENCY | SUPPLEMENTAL INSTRUCTIONS |
| United States Army (USA) and United States Air Force (USAF) | Defense Finance and Accounting Service (DFAS)-Indianapolis Center (DFAS-IN) Regulation 37-1, Finance and Accounting Policy Implementation |
| United States Navy (USN) or United States Marine Corps (USMC) | NAVSO P-1000, Department of the Navy Financial Management Policy Manual |
| General Services Administration (GSA) | FPMR 101, Subchapter E, Subpart 101-26-8, Discrepancies or Deficiencies in GSA or DoD Shipments, Material or BillingsFEDSTRIP Operating Guide |

C1.6. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or resolution of DLMS Finance related problems are unsatisfactory, the activity having the problem shall request assistance from its DLMS Finance PRC representative. The request shall include information and copies of all correspondence pertinent to the problem; including the document number, the number and date of the DLMS bill, and billing office. The representative shall take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the Chairman.

C1.7. SIMULATED MOBILIZATION EXERCISE

 C1.7.1 When establishing plans that require simulated mobilization exercises, identify the associated transactions as simulated mobilization exercise transactions as provided for in the applicable implementation convention. The common mechanism in the DLMS Supplement is to set the Purpose Code of the beginning segment to 77–Simulation Exercise. Do not process simulated mobilization transactions in the supply distribution system(s) as action documents that affect accountable/unit records. The DoD Component activities responsible for initiating these exercises must use extreme caution to ensure procedures are explicit and to coordinate with all participants.

 C1.7.2. DLSS has reserved certain DIC series for use in mobilization or other exercises. Within the legacy DLSS, DIC H series transactions are reserved for use during simulated mobilization exercises in lieu of the normal F or G series DICs. Although not mandatory, exercise planners are encouraged to use the H series DIC.